

Re-issued

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Government Name Genesee-Lapeer-Shiawasee Regional V Planning & Dev Comm.		County Genesee
Audit Date 12/31/05	Opinion Date 12/22/05	Date Accountant Report Submitted to State:		

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

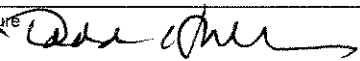
We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☒ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			✓
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) Plante & Moran, PLLC			
Street Address 111 East Court Street, Suite 1A	City Flint	State MI	ZIP 48502
Accountant Signature 		Date 5-12-06	

Financial Report with Supplemental Information

**GLS Region V Planning and
Development Commission
Flint, Michigan**

September 30, 2005

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Independent Auditors' Report

Board of Directors
GLS Region V Planning and
Development Commission
Flint, Michigan

We have audited the financial statements of the governmental activities of GLS Region V Planning and Development Commission as of September 30, 2005 and for the year then ended, which collectively comprise the Commission's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of GLS Region V Planning and Development Commission as of September 30, 2005, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages 2 and 3 and the budgetary comparison information are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying other supplemental financial information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of GLS Region V Planning and Development Commission. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PLANTE & MORAN, PLLC

December 22, 2005

Management's Discussion and Analysis

Management's Discussion and Analysis

As management of Genesee-Lapeer-Shiawassee Region V Planning and Development Commission (Commission), we offer readers of the Commission's financial statements this narrative overview and analysis of the financial activities of the G-L-S Region V Planning and Development Commission.

The basic financial statements for the Commission are comprised of the governmental fund balance sheet/statement of net assets, combined statement of revenues, expenditures, and changes in fund balances statement of activities and notes to the financial statements.

The statement of net assets presents the information of the entity's assets and liabilities, with the difference between the two reported as net assets.

The statement of activities presents information showing how the governmental fund net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenue and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the governmental funds financial statements.

Financial Highlights

The government-wide financial analysis focuses on the Statement of Net Assets and the Statement of Activities. The total assets of Commission are \$113,290 of which \$13,295 represents cash and \$92,254 represents receivables due from the State related to grant reimbursements.

Net assets increased \$2,165 for the Commission as a result of \$60,688 in expenses which are offset by program revenues of \$56,469 and miscellaneous revenues, interest and dividends of \$6,384.

The Commission as a Whole

The following table shows, in a condensed format, the net assets of the current date and compared to the prior year:

Summary Condensed Statement of Net Assets

	<u>Governmental Activities</u>	
	<u>2005</u>	<u>2004</u>
Current assets	\$ 105,699	\$150,659
Noncurrent assets:		
Capital assets	<u>7,591</u>	<u>10,160</u>
Total assets	<u>113,290</u>	<u>160,819</u>
Current liabilities	98,276	147,970
Long-term liabilities	<u>-</u>	<u>-</u>
Total liabilities	<u>98,276</u>	<u>147,970</u>
Net assets:		
Invested in capital assets – net of related debt	7,591	10,160
Restricted	-	-
Unrestricted	<u>7,423</u>	<u>2,689</u>
Total net assets	<u>\$ 15,014</u>	<u>\$ 12,849</u>

Summary Condensed Income Statement

	<u>Governmental Activities</u>	
	<u>2005</u>	<u>2004</u>
Revenue:		
Program revenue:		
Operating grants and contributions	\$ -	\$ -
Capital grants and contributions	56,469	181,696
General revenue:		
Miscellaneous, Interest and dividends	6,384	446
Total revenue	<u>62,853</u>	<u>182,142</u>
Program expenses:		
Commission	<u>60,688</u>	<u>190,450</u>
Total program expenses	<u>60,688</u>	<u>190,450</u>
Change in net assets	2,165	(8,308)
Net assets – beginning of year	<u>12,849</u>	<u>21,157</u>
Net assets – end of year	<u>\$ 15,014</u>	<u>\$ 12,849</u>

Governmental Activities

The Commission's total governmental revenues decreased by approximately \$119,289 in 2005. The decrease is primarily due to one-time grants received in 2004 for hazard mitigation, and asset Management.

Expenses decreased \$129,762 during the year for the same reason as the decrease in the revenues.

Capital Assets

At the end of 2005, the Commission had invested \$7,591 in equipment. The capital assets and their calculated net cost comply with methods established by the Governmental Accounting Standards Board (GASB) for the first year of implementation of GASB Statement 34.

Budget

There were no changes to the original budget. Total actual expenditures did not exceed the budget.

Debt

The Commission does not have any long-term debt.

Contacting the Commission's Financial Administration

This financial report is designed to provide our citizens, investors and creditors with a general overview of the Commission's finances and to demonstrate the Commission's accountability for the money it receives. If you have questions about this report or need additional financial information, contact G-L-S Region V Planning, 1101 Beach Street, Room 223, Flint, Michigan 48502.

Financial Statements

GLS Region V Planning and Development Commission
Governmental Fund Balance Sheet/Statement of Net Assets
September 30, 2005

	General Fund - Modified Accrual Basis	Adjustments (Note 4)	Statement of Net Assets - Full Accrual Basis
Assets			
Current assets:			
Cash	\$ 13,295	\$ -	\$ 13,295
Due from State of Michigan - grants	92,254	-	92,254
Due from other governments	150	-	150
Capital Assets, net	<u>-</u>	<u>7,591</u>	<u>7,591</u>
Total assets	<u><u>\$ 105,699</u></u>	<u><u>7,591</u></u>	<u><u>113,290</u></u>
Liabilities			
Accounts payable and accrued liabilities	8,427	-	8,427
Due to Genesee County Metropolitan Planning Commission	<u>89,849</u>	<u>-</u>	<u>89,849</u>
Total liabilities	<u><u>98,276</u></u>	<u><u>-</u></u>	<u><u>98,276</u></u>
Fund Balances			
Unreserved	<u>7,423</u>	<u>(7,423)</u>	<u>-</u>
Total liabilities and fund balance	<u><u>\$ 105,699</u></u>		
Net Assets			
Investment in capital assets		7,591	7,591
Unrestricted		<u>7,423</u>	<u>7,423</u>
Total net assets		<u><u>\$ 15,014</u></u>	<u><u>\$ 15,014</u></u>

The Notes to Financial Statements
are an Integral Part of this Statement

**GLS Region V Planning and Development Commission
Statement of Governmental Revenue, Expenditures
and Changes in Fund Balance - Statement of Activities
Year Ended September 30, 2005**

	Major funds- Modified Accrual Basis	Adjustments (Note 4)	Statement of Net Assets - Full Accrual Basis
Revenue			
Program revenues:			
Capital grant - state	\$ 56,469	\$ -	\$ 56,469
General revenues:			
Miscellaneous	6,215		6,215
Interest income	169	-	169
	<hr/> 62,853	<hr/> -	<hr/> 62,853
Expenditures			
Planning and Development Activities:			
Consultants and contractual	56,167	-	56,167
Supplies	-	-	-
Audit	-	-	-
Bank fees	95	-	95
Memberships	200	-	200
Office supplies and postage	-	-	-
Subscription	55	-	55
Advertising	477	-	477
Conferences and travel	1,125	-	1,125
Capital outlay	-	-	-
Depreciation	-	2,569	2,569
	<hr/> 58,119	<hr/> 2,569	<hr/> 60,688
Revenues Over (Under) Expenditures/ Change in Net Assets	4,734	(2,569)	2,165
Fund Balance/Net Assets - Beginning of year	<hr/> 2,689	<hr/> 10,160	<hr/> 12,849
Fund Balance/Net Assets - End of year	<hr/> \$ 7,423	<hr/> \$ 7,591	<hr/> \$ 15,014

GLS Region V Planning and Development Commission
Notes to Financial Statements
September 30, 2005

1. Summary of significant accounting policies

The accounting policies of the Genesee-Lapeer-Shiawassee (GLS) Region V Planning and Development Commission conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the Commission.

A. Reporting Entity

Genesee-Lapeer-Shiawassee (GLS) Region V Planning and Development Commission is a voluntary association of three counties and various cities, townships, and villages within those counties. The Commission (Commission) was organized pursuant to Act 281 of 1945, as amended, (Regional Planning Commission Act). The Commission's purpose is to coordinate and implement various area-wide planning functions. The operations of the Commission are financed primarily by federal and state grants, membership contributions and state aid. The Commission does not have the power to levy taxes and, accordingly, its level of operations is dependent upon the amount of voluntary membership contributions received, which can be used for local matching shares of grant participation programs. Following is a summary of the more significant accounting policies.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. The Commission currently does not have any business-type activities or component units.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct* expenses are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, government contributions, and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, if the funds exist. The Commission currently does not have any proprietary funds or fiduciary funds, and has only one Governmental fund.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Governmental contributions are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

GLS Region V Planning and Development Commission
Notes to Financial Statements
September 30, 2005

1. Summary of significant accounting policies – (continued)

C. Measurement focus, basis of accounting, and financial statement presentation – (continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Governmental contributions and charges for services associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental fund:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

If applicable, amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. General revenues include governmental contributions and interest income.

When both restricted and unrestricted resources are available for use, it is the Commission's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Other Significant Accounting Policies

1. Bank deposits:

Cash includes cash on hand and a checking account.

2. Capital Assets:

Capital assets, which consist of furniture and equipment, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the Commission as assets with an initial individual cost of more than \$100 and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

Furniture and equipment are depreciated using the straight-line method over 5 to 7 years.

GLS Region V Planning and Development Commission
Notes to Financial Statements
September 30, 2005

1. Summary of significant accounting policies – (continued)

D. Other Significant Accounting Policies – (continued)

3. Revenue recognition:

Revenues are recognized as earned from granting agencies when the related expenditures are incurred. Direct costs are billed to granting agencies at actual cost.

4. Project expenditures:

Project expenditures are subject to audit by the respective grantor agencies. Any disallowed items of cost may result in a repayment of monies previously received.

5. Budgets:

The Commission adopted a budget on a line item basis.

6. Use of estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

2. Deposits

Michigan Compiled Laws section 129.91 (Public Act 20 of 1943, as amended), authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivision, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The Commission has designated one bank for the deposit of its funds. The investment policy adopted by the Board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs, but not the remainder of State statutory authority as listed above. The Commission's deposits and investment policies are in accordance with statutory authority.

GLS Region V Planning and Development Commission
Notes to Financial Statements
September 30, 2005

2. Deposits – (continued)

The Commission's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial credit risk of bank deposits:

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. At year end, the Commission had \$15,932 of bank deposits (certificates of deposit, checking and savings accounts). These deposits were fully insured. As a result, the Commission evaluates each financial institution it deposits funds with and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

3. Capital Assets

Capital asset activity of the Commission's governmental activities was as follows:

	Balance <u>10/1/04</u>	<u>Reclassifications</u>	<u>Additions</u>	<u>Deposits and Adjustments</u>	Balance <u>9/30/05</u>
Capital assets being depreciated:					
Office furnishings	\$ 21,308	\$ -	\$ -	\$ -	\$ 21,308
Accumulated depreciation:					
Office furnishings	11,148	-	2,569	-	13,717
Net capital assets	<u>\$ 10,160</u>	<u>\$ -0-</u>	<u>\$ 2,569</u>	<u>\$ -0-</u>	<u>\$ 7,591</u>

4. Reconciliation of government-wide and fund financial statements

Total fund balance and the net change in fund balance of the Commission's General Fund differs from net assets and change in net assets of the governmental activities reported in the statement of net assets and statement of activities. This difference primarily results from the long-term economic focus of the statement of net assets and statement of activities versus the current financial resources focus of the governmental fund balance sheet and statement of revenue, expenditures, and change in fund balance. The following are reconciliations of fund balance to net assets and the net change in fund balance to the net change in net assets:

GLS Region V Planning and Development Commission
Notes to Financial Statements
September 30, 2005

4. Reconciliation of government-wide and fund financial statements – (continued)

Total Fund Balance – Modified Accrual Basis \$ 7,423

Amounts reported in the statement of net assets are different because:

Capital assets are not financial resources, and are not reported in the fund

7,591

Net Assets – Full Accrual Basis

\$ 15,014

Net Change in Fund Balance – Modified Accrual Basis

\$ 4,734

Amounts reported in the statement of activities are different because:

Capital outlays are reported as expenditures in the statement of revenue, expenditures, and changes in fund balance; in the statement of activities. These costs are allocated over their estimated useful lives' depreciation:

Depreciation

(2,569)

Changes in Net Assets of General Fund – Full Accrual Basis

\$ (2,165)

5. Grant Local Match

As a part of certain grants, the Commission was required to provide local match. The Commission provided \$893 of local match related to the Hazard Mitigation Project by allowing municipalities to use their local aerial maps.

6. Budget excesses

The following expenditures exceeded the budget:

	<u>Budget</u>	<u>Actual</u>	<u>Excess</u>
Conferences and travel	\$ -	\$ 1,125	\$ 1,125
Memberships	-	200	200
Subscriptions	-	477	477
Bank fees	-	55	55
Use of aerial maps	-	893	893

Required Supplemental Information

GLS Region V Planning and Development Commission
Statement of Revenues and Expenditures
Non-GAAP Budget and Actual
For the Year Ended September 30, 2005

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
State grants	\$ 73,423	\$ 56,469	\$ (16,954)
Miscellaneous income	-	6,384	6,384
Grant match	-	893	893
Total revenues	73,423	63,746	(9,677)
Expenditures:			
Consultants and contractual	73,423	56,167	17,256
Conferences and travel	-	1,125	(1,125)
Memberships	-	200	(200)
Advertising	-	477	(477)
Subscriptions	-	55	(55)
Bank fees	-	95	(95)
Use of Aerial maps	-	893	(893)
Total expenditures	73,423	59,012	14,411
Excess of revenues over expenditures	\$ - 0 -	\$ 4,734	\$ 4,734

Note: The grant requires elements of revenues and expenditures that are not considered revenues and expenditures by Generally Accepted Accounting Principles for governmental funds.
As a result, this is considered a Non-GAAP presentation.

Other Supplemental Information

GLS Region V Planning and Development Commission
Statement of Revenues and Expenditures
Grant Projects for the period of October 1, 2004 to September 30, 2005

	<u>Hazard Mitigation</u>	<u>Regional Transportation Planning</u>	<u>Asset Management</u>	<u>Pilot Project</u>	<u>Total</u>
Revenues:					
State grants	\$ 1,646	\$ 17,502	\$ 31,146	\$ 6,175	\$ 56,469
Expenditures:					
Consultants and contractual	1,646	17,200	31,146	6,175	56,167
Conferences and travel	-	200	-	-	200
Memberships	-	102	-	-	102
Total expenditures	1,646	17,502	31,146	6,175	56,469
Excess of revenues over expenditures	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -

Report on Internal Control over Financial Reporting and Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards

Board of Directors

Genesee-Lapeer-Shiawassee (GLS) Region V Planning and Development Commission
Flint, Michigan

We have audited the financial statements of the governmental activities of the Genesee-Lapeer-Shiawassee (GLS) Region V Planning and Development Commission (Commission) as of and for the year ended September 30, 2005, which collectively comprise the Commission's Basic Financial Statements and have issued our report thereon dated December 22, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not be necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board, management, and grantor agencies, and is not intended to be and should not be used by anyone other than these specified parties.

PLANTE & MORAN, PLLC

December 22, 2005

A member of



A worldwide association of independent accounting firms